

ORDINANCE 2015 - 28

AN ORDINANCE ESTABLISHING THE PURCHASING POLICY INCLUDING THE PURCHASING AGENTS, PURCHASING PROCESS, AND PROCEDURES FOR THE TOWN OF WHITESTOWN, INDIANA

This ordinance replaces and supersedes Ordinance 2009-10 including any amendments thereto.

WHEREAS, the Whitestown Town Council ("Town Council") desires to set forth an efficient and effective system for purchasing supplies, services, and equipment as needed for the management of day to day operational functions of the Town of Whitestown ("Town" or "Whitestown"); and

WHEREAS, the Town desires to set forth its respective purchasing agents ("Purchasing Agent(s)") and ensure that such agents request, negotiate, and procure the most competitive pricing for all operational and maintenance products and services, capital expenditures, and professional services; and

WHEREAS, the Town desires to set forth the proper procurement process to be followed from the adopted date of this ordinance, which shall apply to all Town Departments, Joint Ventures, etc.; and

WHEREAS, the Town Council desires to amend and replace the current Purchasing Ordinance with a Purchasing Policy that is attached hereto as Exhibit 1.

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Whitestown, Indiana, as follows:

Section 1. Ordinance 2009-10 Repealed. Ordinance 2009-10 including any and all amendments thereto is hereby repealed.

Section 2. Purchasing Policy Adopted. The purchasing policy attached hereto as Exhibit 1 is hereby adopted as the Purchasing Policy of the Town of Whitestown, Indiana ("Purchasing Policy")

Section 3. Other Ordinances. All ordinances and parts of ordinances inconsistent or in conflict with the terms of this Ordinance and the attached policy are repealed to the extent of such inconsistency or conflict.

Section 4. Severability. The provisions of this Ordinance and the attached Purchasing Policy are severable, and the invalidity of any phrase, clause, or part of this Ordinance and/or the attached Purchasing Policy shall not affect the validity or effectiveness of the remainder of the Ordinance and/or Purchasing Policy.

Section 5. **Effective Date.** This Ordinance including the attached Purchasing Policy shall be in full force and effect from and after its adoption.

INTRODUCED on this _____ day of _____, 2016;

APPROVED AND ADOPTED by the Town Council of Whitestown, Boone County, Indiana on this _____ day of _____, 2016.

THE TOWN COUNCIL OF THE
TOWN OF WHITESTOWN, INDIANA

YAY/NAY

_____	_____
Eric Miller, President	—

_____	_____
Susan Austin, Member	—

_____	_____
Kevin Russell, Member	—

_____	_____
Clinton Bohm, Member	—

_____	_____
Jeffrey Wishek , Member	—

Town of Whitestown Purchasing Policy

Exhibit 1 to Ordinance 2015-28

TOWN OF WHITESTOWN PURCHASING POLICY

A. General Information and Standards

Each respective Town Department must be responsible for evaluating and addressing the need to purchase various supplies, services, and equipment for that department, subject to certain administrative approvals. To achieve an effective and efficient system of procurement, Whitestown shall utilize a Purchase Order (PO) and Project Number system. The use of Purchase Orders and Project Numbers are discussed in detail in Sections F and G below respectively.

Whitestown encourages centralized procurement of any items commonly utilized by all departments. Such items include, but are not limited to, office supplies and business cards. Whitestown will use a project Number system as discussed in Section G below to track these purchases.

It is the duty of the Town and its respective Purchasing Agents to assure that purchases are made efficiently and economically, and that the Town and/or its Purchasing Agent obtains the best price for all products and services to be procured without sacrificing quality or other relevant considerations. Notwithstanding any provision of this Policy to the contrary, under no circumstances shall any purchases be made without the proper appropriations.

B. United States Purchases Encouraged

The Town also encourages that any product/supply purchased shall be made in the United States unless:

- The product/supply is/are not made in the United States;
- The price of the product/supply exceeds, by an unreasonable amount, the price of available and comparable product/supply manufactured elsewhere;
- The quality of the product/supply in the United States is substantially less than the quality of available and comparable product/supply manufactured elsewhere; or
- The purchase of product/supply manufactured in the United States is not in the public interest.

C. Values and Ethical Standards of Purchases

All Purchasing Agents, as public employees and professionals, owe the Town their best unbiased judgment as representatives of the Town each and every time taxpayer or ratepayer money is expended. All purchasing activity must adhere to the following

commonly shared values and ethical standards for dealing with residents, vendors, and

clients:

1. Regard public service as a sacred trust, conducting all business with transparency, honesty, fairness, and integrity, giving primary consideration and loyalty to the interests of the public agency that employs us.
2. Exercise skill and good judgment to obtain the maximum value for each dollar of expenditure.
3. Avoid unfair practices by granting all competitive vendors equal consideration insofar as State, Federal and Town regulations require.
4. Encourage support for small, disadvantaged, minority, and women-owned businesses.
5. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
6. Avoid involvement in any transactions or activities that could be considered to be a conflict between personal interest and the interests of the Town.
7. Promote positive vendor and contractor relationships by according vendor representatives prompt, courteous, fair and ethical treatment.
8. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes. Treat with discretion all information obtained in confidence.
9. Honor obligations and require that obligations to the public agency be honored.
10. Make every reasonable effort to negotiate equitable and mutually agreeable settlements of controversies with a vendor(s).
11. Avoid purchasing from relatives, if at all practical and possible. For the purposes of this Policy, "relatives" shall include spouses, dependents, parents, grandparents, uncles, nieces, nephews, and first degree cousins. If purchase from a relative is unavoidable, the purchase must be approved by the Town Manager, Town Council, or the Town Council representative overseeing the Department in writing regardless of the amount. See also, the Town's anti-nepotism policy and Indiana Code § 35-44-1-3 concerning conflicts of interests.

D. Authorized Purchasing Agents by the Purchasing Authority

The Town Council retains its rights as the Purchasing Authority while designating the following positions as authorized Purchasing Agents for the Town. Each Purchasing Agent's authority shall be limited to their respective departments and budgets:

- Town Clerk-Treasurer
- Town Judge
- Chief of Police
- Fire Chief
- Public Works manager
- Utility Manager
- Operations Manager
- Town Manager
- Town Council

- Parks Director

The Town Council may also designate in writing additional purchasing agents as necessary.

E. Spending Authorization Limits

Purchase orders for any operational or capital expenses listed as a “line item” in the Departmental Budget up to \$2,500 total and no more than \$2,500 aggregate in the calendar year, may be approved by the Authorized Purchasing Agent directly without additional authorization.

Purchase orders involving operational or capital expenses listed as a “line item” in the Departmental budget between \$2,500 total/aggregate and no more than \$10,000 total/aggregate in the calendar year must be approved by the Authorized Purchasing Agent *and* the Town Council representative overseeing the Department, unless specifically authorized in the approved budget.

Purchase orders over \$10,000 total/aggregate must be presented to the applicable governing Town Board(s) (e.g., Police Commission, Fire Commission, Utility Service Board) for approval, gain board approval and assurance that the Departmental budget has the necessary funds to pay for the product or service, and then be presented to and receive the approval of the Town Council.

At no time may any Authorized Purchasing Agent authorize a PO for an item over \$2,500 for which there is no budget without going through the approvals process. When practical or required by law, multiple bids should be sought to ensure the best value for the town.

F. Purchase Order Use

All purchases over \$100.00 are to be made only with a valid purchase order. All purchase requests must be on the approved PO Form (the form shall be prescribed by the Clerk-Treasurer and may be revised from time to time without the formal approval of the Town Council), identifying with adequate detail the item, quantity, purchase price, payment details, source of funds, vendor information, and other relevant information sufficient to provide reviewing authorities with the understanding of the requested purchase. Written estimates and/or quotes for goods and/or services must be attached to the original PO and each copy for reference and documentation of costs.

To be considered valid, the PO must be completed by the purchaser and approved by the Purchasing Agent, designating which account the PO is to be paid out of, and any additional required signatures prior to the order being placed.

This purchasing policy applies to all purchases, by all departments, regardless of the budget utilized, the source of the funds, or the method of payment.

In the event the item being purchased is a uniform or clothing, the Purchasing Agent should include on the PO Form information detailing for whom the uniform or clothing was purchased and whether the purchase should be deducted from the annual uniform allowance.

In the event the purchase is for costs associated with training, the Purchasing Agent should include on the PO Form information detailing for whom the training is for, whether the training is required for their current job, and/or whether the training will assist the employee qualify for a promotion or higher pay.

In addition to this Policy, all purchases utilizing a town credit card must be made in accordance with the Town's Credit Card Policy.

G. Project Number Use

To track commonly utilized items, the Town Manager may assign a project number for common categories of purchases. If assigned, all associated purchases, regardless of the amount, the department, the source of funds, the assigned budget, the method of payment, and/or the line item involved, will be coded with that assigned Project Number. When making purchases of those items, the Project Number must be included on all POs, and the Purchasing Agent must first inform the Town Manager of their intent to buy items within that assigned Project Number. The Town Manager must authorize the payment before purchasing items within the assigned Project Number to assure maximum savings.

H. Distribution of Approved Purchase Orders

Once the Purchasing Agent has approved the purchase order (with all applicable consents and other approvals as set forth herein), the employee making the purchase will need to distribute the approved and signed PO accordingly:

- Fax, mail and/or hand deliver the top copy (white) of the approved PO to the vendor;
- Provide the Public Record copy (yellow) to the Clerk Treasurer/Financial Manager with estimate/quote attached; and
- Provide the Office copy (pink) to the Purchasing Agent, with estimate/quote attached.

I. Process Exceptions

Ordinance No. 2007- 14 (PREAPPROVED PAYMENT OF CLAIMS), a copy of which is attached hereto as Exhibit A, contains sample exceptions to this PO policy and should be referenced by the Clerk Treasurer/Financial Manager. Additional exceptions include:

- Whitestown Municipal Utilities payments made to the Town of Whitestown.

J. Branding and Marketing

The Town recognizes the need to market the Town with a common brand. The purchase of any patch, uniform, clothing, business card, and/or any other products

which have the intent or effect of communicating the Town brand must be approved by the Town Council's designated public relations representative prior to purchase.

K. Professional Services

Prior to compensating any person, firm, corporation, or entity for Professional Services, the Purchasing Agent must first assure that the person, firm, corporation, or entity is subject to a valid written and binding contract with the Town. Absent such a written and binding contract with the Town, the Town Council will not be obligated to approve the claim for the Professional Service.

L. Contracts

Any contract that requires the expenditure of funds for any purpose (including but not limited to Professional Services) must be reviewed by legal counsel and the authorized purchasing agent must consult with legal counsel prior to the execution thereof.

M. Receipt of Merchandise/Payment Procedures

All invoices (once received) shall go to the appropriate Purchasing Agent for approval prior to payment. Each department will be responsible for approving their respective expenses and signing off on the invoices. This process will enable our department heads to have a better understanding of and control over their expenses. In an effort to maintain all invoices under the recordkeeping of the Clerk Treasurer/Financial Manager, it will be the responsibility of the Clerk Treasurer/Financial Manager to coordinate receipt and payment of invoices and notify employees and department heads that invoices are ready for approval. All invoices ready for approval must be reviewed and approved for payment within one week.

Whenever a product is received, the responsible department head and/or shall perform a timely inspection for damage and report any damage immediately to the Clerk Treasurer/Financial Manager. All packing and delivery receipts should be signed by the person accepting the order and turned in to the Clerk Treasurer/Financial Manager. Normally, the packing/delivery receipts and the invoice from the vendor must be received by the Clerk Treasurer/Financial Manager two weeks prior to a Council Meeting so that the payment may be included in the materials submitted by the Clerk Treasurer/Financial Manager for Council approval.

N. Unauthorized Purchases

Staff members may not make commitments to vendors for the purchase of supplies,

services, or equipment without using the requisite purchasing procedures as provided in this Purchasing Policy. Unauthorized commitments are not binding on the Town. Invoices submitted for such purchases may not be honored, and will become the obligation of the individual who made the unauthorized purchase. Purchases for personal use are not allowed on Town PO's.

O. Tax Exemption

Expenditures from Whitestown are generally exempted from Indiana sales tax. Exemption certificates are available in the Clerk Treasurer/Financial Manager office. Requests from vendors for tax exemption information should be sent to the Clerk Treasurer/Financial Manager.

P. Blanket Purchase Orders/Project Numbers

In certain instances where the Purchasing Agent may need to repeatedly purchase similar materials from the same vendor, a "Blanket Purchase Order" or "Project Number" may be issued. Blanket Purchase Orders/Project Numbers may be issued for estimated yearly expenditures. Any funds not used in the year the Blanket Purchase Order/Project Number is written/assigned for will not be carried forward to a new year. Both the Blanket Purchase Order/Project Number and any remaining funds will be cancelled on December 31st and a new Blanket Purchase Order/Project Number with requisite approvals will be required for the following year.

A Blanket Purchase Order/Project Number would be used in the following line item budget examples:

- Chemical supplies and purchases, as well as laboratory testing required for the day-to-day operations of water and sewer plants.
- Common office supplies.

Q. Board Review of Purchases

The board that is in charge of a Town Department is required to review the expenditures of the respective Department at that board's regularly scheduled meetings. The Clerk-Treasurer shall supply to the board members a true, accurate, and up-to-date copy of the expense report in advance of that board's regularly scheduled meeting and/or at the reasonable request of any board member.

Emergency Procedures

In the case of emergencies that threaten health or safety, the appropriate Purchasing Agent shall have the authority to cause the purchase that will remedy the remedy to be made as needed to protect the public's health and safety, and shall provide post-event documentation for necessary approvals..

If the case of an emergency, then the following procedures become effective:

- The Purchasing Agent shall obtain verbal approval from the Town Council member assigned to the applicable department for the purchase of products and/or services of more than \$2,501, request follow-up email approval from two Town Council members, and attach written emergency approvals to the PO.
- The Purchasing Agent shall follow up after the emergency situation has been addressed and handled with a PO, following the normal procedures.

Town Council Authority

Notwithstanding any provision to the contrary, nothing herein shall limit or restrict the authority of the Town Council to exercise its discretion to amend or waive any term or requirement herein.

EXHIBIT A

ORDINANCE NO. 2007-_____

AN ORDINANCE PROVIDING FOR PREAPPROVED PAYMENT OF CLAIMS

WHEREAS, it is in the interest of public health and safety and the efficient management of governmental functions that the legislative body provide for the preapproved payment of certain claims for lawful town purposes;

NOW THEREFORE, BE IT ORDAINED by the Whitestown Town Council (the "Board"), of Whitestown, Boone County, Indiana, that pursuant to Indiana Code 36-5-4-12, the Clerk Treasurer of the Town of Whitestown shall be authorized to make claim payments and disburse funds in advance of the Board allowance for the following types of expenses:

Section 1.

Notwithstanding I.C. 5-11-10, the Town Clerk Treasurer may make claim payments in advance of the Board allowance for the following types of expenses:

1. Property or services leased from:
 - A. the United States government, or
 - B. an agency or political subdivision of the United States government
2. License fees or permit fees.
3. Insurance premiums.
4. Utility payments or utility connection charges.
5. Federal grant payments if:
 - A. advance funding is not prohibited; and
 - B. the contracting party provides sufficient security for the amount advanced
6. Grants of state funds authorized by statute.
7. Maintenance agreements or service agreements.
8. Lease agreements or rental agreements.
9. Principal and interests payments on bonds.
10. Payroll.
11. State, federal or county taxes.
12. Expenses that must be paid because of emergency circumstances provided the Clerk Treasurer has fully complied with Section 2.
13. Expenses described in an ordinance.

Section 2.

Prior to making claim payments and disbursing funds in advance of the Board allowance for emergency circumstances, the Clerk Treasurer shall obtain written authorization of the President of the Whitestown Town Council and one other Town Council Member who is able to verify the emergency nature of the expenditure in advance of a Board allowance.

Section 3.

Each payment of expenses under Section 1 shall be supported by a fully itemized invoice or bill and certification by the Clerk Treasurer.

Section 4.

The Town Board shall review and allow the claim at the Board's next regular or special meeting following the preapproved payment of the expense.

Section 5. Miscellaneous Provisions

5.1 All references to the male gender shall apply equally to the female gender.

5.2 If any part of this Ordinance shall be held invalid, such part shall be deemed severable and the invalidity thereof shall not affect the remainder of this ordinance.

5.3 This ordinance shall be effective after publication upon its approval and adoption by the Town Council of the Town of Whitestown, Boone County, Indiana.

Publication date: _____, _____.

COPY OF PURCHASE ORDER HERE